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GUS-0171
Copy 2 of 6

11 March 1959

MEMORANDUM FOR : Deputy Director (Plans)

SUBJECT : Contract No. HL-4646, Approval for Convair to
Contract for Architectural Drawings of New
Building for Project GUSTO.

1. This memorandum contains a recommendation for your approval in Paragraph 6 hereof.
2. During your recent visit to the Convair Plant at Fort Worth, I believe the Contractor informed you of its requirement for a new Assembly Building in which to manufacture and assemble the GUSTO Vehicle.
3. My understanding of their proposal was that they planned to lease a parcel of land immediately adjoining their present buildings from the Air Force on a 99 year basis. The building would be erected by Convair and they would bear the cost and have the use of it for the period of the lease.
4. Convair Representatives who visited Project Headquarters on 9-10 March have advised us that they have changed their proposal to the effect that they now desire to lease the land for a period of only five years and that the cost of the building be borne by the Agency under the supply contract within that time period. At the end of this time the land and building would revert to the Air Force.
5. Notwithstanding the above, Contractor was informed that an authorization to construct the building would depend upon a decision to proceed with the Program. Contractor agreed that this was its understanding and their schedules had been predicated upon this decision being made prior to 15 May at which time construction must be initiated for August 1959 occupancy. However, in order to initiate construction by this date certain commitments must be made. First, the required land must be made available and Secondly, Contractor must be authorized to contract for Architectural and Engineering Drawings of the new building. The cost of these drawings is estimated at [redacted]

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6. Based upon the foregoing, arrangements are proceeding between the Air Force and the Chief of Material to make the land available. There is some question as to the necessity for a lease since the Air Force owns land already. However, if it is determined that the Contractor shall pay for construction the lease will be necessary. With regard to authorizing the Contractor to proceed with the Architectural Drawings, your approval is solicited herein below. If you concur in the foregoing it is proposed that the costs be included in a subsequent Program Approval which will be processed for additional work which has or is contemplated to be authorized.

7. As a matter of additional information Contractor has been requested to reappraise its present facilities to determine if existing space can be made available in lieu of constructing a new building. Rental of an outside building is not considered satisfactory because of cost and the loss of benefits of having the manufacturing and fabrication facilities close by, and perhaps complicate our security problems if it is decided to conduct flight testing and/or operations from Carswell AF Base.

8. In view of the foregoing, it is recommended that approval be granted to authorize the Contractor to proceed with Architectural and Engineering Drawings at an estimated cost of [redacted]

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[redacted]
Contracting Officer

CONCUR:

/s/ see attached note
GENE KIEFER

Approval requested in
Paragraph 8 granted.

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[redacted]
Chief, Material Branch

NOT APPROVED.
[redacted] dtd 3/14/59
RICHARD M. BISSELL, JR.
Deputy Director
(Plans)

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DPD-DD/P: [redacted]
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- 2. - Mr. Bissell
- 3. - Mr. E. Kiefer
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